price index (WPI: 1993-94=100), stood at 6.11 per cent on January 20, 2007 compared to 4.24 per cent and 5.43 per cent on the corresponding dates of 1005-06 and 2004-05, respectively. The velocity of money (ratio of nominal gross demostic product at current market prices to the average stock of M3) was 1.47 in 2004-05 and 1.45 in 2005-06.

There is no one-to-one correspondence between expansion of M3 or circulation of money and rate of inflation. Higher expansion in M3 is also to be viewed in the context of the overall performance of the economy during the relevant period. The increase in money supply can be attributed to the credit expansion facilitating the growth in real GDP as well as to the flow of foreign exchange reserves.

Manipulation of Stock Exchanges by terrorists

1534. SHRI MANOHAR JOSHI:
SHRI SYED AZEEZ PASHA:
SHRI K.E. ISMAIL

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the disclosure made by the National Security Advisor, Mr. M. K. Narayanan that there are isolated instances of terrorists outfits manipulating the stock exchanges in Mumbai and Chennai through fictitious or notional companies;

(b) if so, the details thereof and Government's reaction thereto; and

(c) whether the recent high volatility in stock exchanges has been attributed to such manipulations by terrorists companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Information is being collected and shall be placed on the Table of the House.

Revival of co-operative credit institutions in Orissa

1535. SHRI B.J. PANDA:
MS. PRAMILA BOHIDAR:

Will the Minister of FINANCE be pleased to state: